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Serving the neighbors
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Advising the Mayor
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RESOLUTION #101

IN CONTINUED OPPOSITION TO ENHANCED USE LEASES BY AND BETWEEN THE DEPARTMENT OF VETERANS AFFAIRS, NEW DIRECTIONS, INC (NDI) AND A COMMUNITY OF FRIENDS (ACOF) FOR CONVERSION OF TWO MEDICAL BUILDINGS INTO A 149 UNIT APARTMENT COMPLEX AT SEPULVEDA VA, 16111 PLUMMER ST., NORTH HILLS, CA 91343

Whereas, December 23, 2007, The Department of Veterans Affairs (DVA) entered into 75-year Enhanced Use Leases (EULs) between the Department and developers, New Directions, Inc. (NDI) and A Community of Friends (ACOF), and

Whereas, the VA demonstrated bad faith by negotiating and signing EULs for Sepulveda VA assets without contact or discussion with or seeking input and involvement from the local Veterans Service Organizations (VSO) or community groups in the area, thus violating language in Title 38 US code stipulating that the VA "...shall receive the views of veterans service organizations and other interested parties" and

Whereas, The NHWNC, VSOs and other community groups were denied the opportunity to review draft leases and comment prior to approval and signing by Congressman Bob Filner, San Diego and the NHWNC had to obtain copies of the signed EULs via the Freedom of Information Act in November 2008, copies that were significantly redacted/edited by the VA

Whereas, the sole purpose of the EUL is to allow the VA to lease Veterans land to private sector developers (public, profit or non-profit) and clear the way for the VA to dispose of the property by sale or simple transfer of title and the DVA and Lessees have attempted to mislead the public with statements that the Leases do not contain language that would allow the sale to the lessees and

Whereas, the leases do not need to contain language that would allow the sale or simple transfer of the property to the lessees since per the VA's Asset Management Plan, Chapter 5, Disposal Authority, Public Law 108-422 and Section 8164, title 38 U.S. Code, "if the secretary determines during the term of the (EU) lease or within 30 days of expiration, that the leased property is no longer needed by the Department, the secretary may initiate action to transfer all rights, title and interest In the property to the lessee and

Whereas, a 1989 Master Plan for the Sepulveda VA Medical center



Certified by the Department of Neighborhood Empowerment, City of Los Angeles

stipulates it is the intent of the DVA to divest itself of the entire 160 acre property, we have good and valid reasons to believe that is the intent of the NDI and ACOF leases and are opposed to the sale or transfer of the 7.05 acres of veterans land to the lessees. We are further convinced that the NDI/ACOF project and leases themselves, with or without such a transfer, would open up the entire 160 acres to further encroachment by private sector developments which would ultimately lead to the loss of not only their medical center but the Veterans' sacred land forever

Whereas, the Department of Veterans Affairs through the use of EULs and other tools, has demonstrated by its actions a willful intention to continue the process of disposing of Veterans' healthcare properties and assets to private sector development across the United States ..A recent example of this lies in the June 11, 2009 announcement that the DVA plans to transfer 85.4 acres of land from the North Chicago VA Medical Center to the Rosalind Franklin University of Medicine and Science which has been using the land under an EUL since 2002. The Secretary of Veterans Affairs recently determined that the majority of the land leased to the university would not be needed by VA in the future. The giveaway under EULs of 16 acres for a public park, 8 or more acres to Enterprise Car Rental, about 20 acres to a private Brentwood School, and dozens more at the WLA VA, are further evidence of the intentions.

Whereas, the buildings can be mortgaged for any amount, there is no limit specified in the leases, and there is no provision for the buildings or the 7.05 acres in event of forfeiture of loans or foreclosure on the property

Whereas, the leases can be reassigned to other lessees at any time during the 75 years

Whereas, significant and serious questions have been raised about project costs, whether the program proposed by VA and the developers at Sepulveda, to convert medical buildings to 149 apartments, would serve the greater good of the Veteran population versus use of the buildings to provide continuing healthcare for literally thousands of Veterans annually, and whether ND/ACOF will be literally required ("shall") to make the project for Veterans only

Whereas, the 2004 estimated cost of the proposed conversion \$40 million, the cost today would be \$46,370,963 and in 2010 the cost would be \$47,762,092 based on a 3% inflation rate which is low by any standards. In 2010 the minimum cost per unit will be \$320,551. A 2-3 bedroom home can be purchased for that price. There are also independent contractor estimates that the same complex could be built from scratch anywhere else for \$100,000 per unit. We are therefore opposed to such an enormous waste of our tax dollars. Tax dollars that would be better spent refurbishing and staffing buildings 4 and 5 as medical buildings and rebuilding the hospital at the Sepulveda VA.

Whereas, the Leases can be amended at any time for virtually any reason and

Whereas, pursuant to Article 7, Section B-4, on May 8, 2009 NDI and ACOF have requested several amendments to subject Leases including one to reflect that only Veterans will be served in this project which they have named Homes For Heroes at the Sepulveda VA

Whereas, the requested amendments prove that the Leases can be amended at any time for almost any reason, there is nothing to prevent the language being changed again or additional amendments made, at a later date

Whereas, Lessees cite California SB1220 which amends Section 50675.1, CA Health and Safety Code, relating to housing, effective January 1, 2009, as their CA authority to restrict

occupancy to Veterans only at the Sepulveda VA project contains language that is open to interpretation as to whether the amended section relates to lockdown inpatient programs such as that at the West Los Angeles VA or the permanent supportive housing project proposed at Sepulveda, we question this authority as it relates to the Sepulveda VA project.

Whereas, the HUD letter dated April 21, 2009 is also ambiguous and the veterans only restriction appears to be qualified, we question that authority as well.

Whereas, Contrary to statements made by the VA and the Lessees in testimony before the NHWNC and in an April; 14. 2009 letter from Donna Beiter, that Buildings 4 and 5 sustained major earthquake damage, have extensive water damage, exposed wiring, missing ceiling tiles, are structurally unsound and uninhabitable, we have documented evidence. Including interior photographs of building 5 taken February 19, 2009 showing it is immaculate, in good condition, and have it on good authority that building 4 is in the same good condition, plus a March 22, 1994 earthquake update on VAMC Sepulveda, states only that "Psychiatric (B4-5) are closed due to lack of utilities. These buildings can be reopened in approximately one month." According to all VA reports, there was **no** structural or extensive damage to buildings 4 and 5 and

Whereas, buildings 4 and 5 are being rented to Gray's Anatomy, the Unit and other film/production companies which would never allow their casts and crews to shoot in structurally unsound buildings, nor would their insurance companies.

Whereas, Buildings 4 and 5 stand on 7.05 acres, the EUL gives title to the buildings, all improvements thereto and 90% of film and television revenue projected by the VA's Asset Management Unit in 2005 to be almost \$5 million in 2009 and over \$7 million in 2010

Whereas, the Leases specify a total of 7.05 acres, but the VA's FONSI and Environmental Assessment both refer to 14.22 acres, we question the amount of land actually involved in the two leases, and potential subsequent use of the land especially since said leases can be amended at any time

Whereas, the Sepulveda VA is zoned PF1 which zoning does not allow apartment buildings and the predominant zoning on the adjoining properties is RS-1 Single Family Residential which also does not allow apartment buildings, we are opposed to conversion of two urgently needed medical buildings into a 149 unit apartment complex whether or not said complex is for homeless veterans only and

Whereas, we question the ability of any homeless person to meet the occupancy requirements, including an acceptable credit/eviction report, key deposit, security deposit equal to one month's rent, etc.

Whereas, we are opposed to the Lessees/developers illegal use of the trademarked name "Homes for Heroes" or any variation thereof including the VA's use of the name "Home for Heroes", which also may be a trademark infringement, on signs at building 99 and elsewhere throughout the Sepulveda VA

Whereas, the entire 160 acres on which the Sepulveda VA stands were donated to the U.S. Government March 19, 1952 by Lester M. and Mary E. Gentry specifically for a Veterans hospital and medical center, we are opposed to any other use of any portion of said property private or federal

Whereas, beginning immediately after the Northridge earthquake in January, 1994, the VA has demonstrated a consistent pattern of systematic downsizing, gutting of buildings and removal of urgently needed medical buildings and healthcare services at Sepulveda VA

Whereas, approximately 150,000 aging and disabled Veterans throughout the San Fernando, Simi and Antelope Valleys currently rely on the Sepulveda VA for their medical care and treatment,

Whereas, tens of thousands more seriously physically, emotionally and mentally wounded warriors will be returning here from Iraq, Afghanistan and elsewhere

Whereas, Veterans are entitled to and have earned the right to receive medical care and treatment in their immediate area

Whereas, buildings 4 and 5 which are clean and in good condition can easily be refurbished and staffed as Medical buildings to house 300-350 veterans undergoing treatment at any given time or serve thousands per year on an outpatient basis as opposed to apartments to house only 147 homeless Veterans permanently

Whereas, homelessness is not a medical condition and our Veterans need medical buildings care and treatment, not apartments, we call for the hospital to be rebuilt and the Sepulveda VA restored as the full service medical center it was designated, designed and zoned to be, starting with Buildings 4 and 5

Whereas, the NHWNC and our stakeholders, which include the 150,000 Veterans currently served by the Sepulveda VA, are opposed to any suggested/proposed compromise on the Sepulveda VA, whether or not it would involve the return of some limited medical services in exchange for approval of the NDI/ACOF project. We will not entertain any such proposal that is not simultaneously presented to, and approved by, not only the local VSOs but the entire veteran population served by the Sepulveda VA and all affected San Fernando Valley Neighborhood Councils.

NOW THEREFORE BE IT RESOLVED

That the North Hills West Neighborhood Council (NHWNC) at its regular meeting June 17, 2009, at North Hills, California, and with a vote duly taken, go on official record in continued opposition to the New Directions Inc./A Community of Friends project proposed for the Sepulveda VA and officially call for the hospital to be rebuilt, restoration of the Sepulveda VA facility to the full service medical center it was designated, designed and zoned to be, starting with Buildings 4 and 5 and for cancellation/rescission of the 75-year Enhanced Use Leases for the project by and between the Department of Veterans Affairs, New Directions, Inc. and a Community of Friends and

That the Board of Directors issue a letter to the VA and New Directions/A Community of Friends management, with copies to all concerned parties, specifically stating our continued opposition and include a copy of this Resolution


Be it further resolved

That the Board of Directors of the North Hills West Neighborhood Council go on official record calling for the cancellation/rescission of all Enhanced Use Leases involving VA facilities

throughout the state of California and that the board of directors officially notify the VA Administration of this position

That the Board of Directors call for elimination of language in Public law 108-422, Title 38 US Code and the VA's Asset Management Plan which allows the VA to transfer leased assets to the leaseholders at any time during the lease term or after expiry.

This is to certify that the above resolution was adopted this date

By_  Resolution No. __101_____
Lewis Brown, President, North Hills West Neighborhood Council Date: ____June 17. 2009__

